



July 14, 2009

Press Release

Can-Fite BioPharma to Initiate Phase I/II Clinical Trial with CF102 for the Treatment of Hepatitis C Virus

About 180 million people of the world's population are infected with HCV; The HCV market cap is currently estimated to be US\$ 3 billion

Can-Fite BioPharma announced today that, following the approval by the Israel Ministry of Health and Rabin MC Ethics Committee, a phase I/II clinical trial with CF102 for the treatment of HCV will now start enrolling patients.

The trial will investigate the safety and efficacy of CF102 in patients with HCV. This ascending-dose trial will be conducted at the Rabin Medical Center and include 32 patients.

HCV is predominantly transmitted through body fluids and less frequently by sexual intercourse and no vaccines are currently available. About 50% to 85% of HCV infected patients develop a chronic form of the disease, of whom 25% to 76% develop active chronic disease and cirrhosis, which is the leading cause of liver transplantation in Europe and the US and greatly increases the risk of liver cancer. Patients are currently offered drug therapy that generally consists of oral Ribavirin in combination with interferon injections. These drugs have severe adverse events and most patients rapidly become refractory to them. The market size today is more than 3 Billion \$ and is estimated to grow to around 8.3 Billion \$ on 2012.

The Company previously reported that preclinical studies have suggested that the drug is active against HCV via inhibition of NS5, RNA dependent RNA polymerase. CF102 was also found to trigger programmed cell death (apoptosis) of liver cancer cells. The Company recently announced the successful completion of a Phase I clinical study with CF102 under an IND in the US, showing a safety profile and a linear pharmacokinetic behavior of the drug.

Prof. Pnina Fishman, CEO of Can-Fite, said today that "the initiation of the Phase I/II trial in HCV demonstrates the progress of the company in its clinical development program. Based on the definitive molecular mechanism of CF102 which targets the highly specific enzyme NS5 in the viral replication cycle, we have a great belief in the performance of the drug."

In keeping with its financial reports, Can-Fite expects to release within weeks the results of a phase II clinical trial with CF101 for the treatment of Psoriasis. The company concluded successfully a Phase II study in Dry Eye Syndrome.

CAN-FITE BIOPHARMA LTD is a public company traded on the Tel Aviv Stock Exchange. The Company, which commenced business activity in 2000, was founded by Prof. Pnina Fishman, an investigator from Rabin Medical Center, and patent attorney Dr. Ilan Cohn, a senior associate at Reinhold Cohn Patent Attorneys. Prof. Pnina Fishman serves as the CEO of Can-Fite. The Company was founded on the basis of scientific findings made by Prof. Pnina Fishman and focuses on the development of molecule-based drugs that bind to receptors on and inhibit the development of cancer or inflammatory cells.

Can-Fite's development pipeline currently has two drugs, CF101 and CF102. The company is simultaneously conducting several preclinical and clinical trials with the two drugs for various indications. CF101 is being studied for the treatment of rheumatoid arthritis, dry eye syndrome and psoriasis. Can-Fite has also entered the development of CF102 for the treatment of liver diseases, including liver cancer.

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